

MULTIMEDIA



UNIVERSITY

STUDENT ID NO

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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 3, 2018/2019

PFA0064 – ESSENTIALS OF FINANCIAL ACCOUNTING
(Foundation in Management)

31 MAY 2019
9.00 AM – 11.00 AM
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of **FIVE** pages (excluding the cover page) with 4 questions only.
2. Answer **ALL** questions. All questions carry equal marks and the distribution of the marks for each question is given.
3. Write your answers in the Answer Booklet.

Question 2

The following is a summary of the receipts and payments for Jammy Club during the year ended 31 July 2018.

Jammy Club
Receipts and Payments Account
For the year ended 31 July 2018

	RM		RM
Cash and bank balances b/d	200	Administrative expenses	120
Sales of tickets	440	Rent	1,000
Members' subscriptions	1,987	Visiting speakers' expenses	804
Donations	190	Donations to charities	530
Refund of rent	600	Prizes for race	280
		Miscellaneous expenses	180
		Balance c/d	503
	<u>3,417</u>		<u>3,417</u>

Additional information:

As at 31 July	2017(RM)	2018(RM)
Equipment (original cost RM 1,420)	1,050	855
Subscriptions in arrears	60	80
Subscriptions in advance	20	35
Rental paid in advance		500

Required

- a) Prepare the subscription account. (10 marks)
- b) Prepare the income and expenditure account for the year ended 31 July 2018. (15 marks)

(Total 25 marks)

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Question 3

Part A

A, B and C were in partnership for many years sharing profits and losses in the ratio 5:3:2 and prepare their accounts to 31 December each year. A decided to retire on 1 January 2018 and the partnership was dissolved as from that date.

The partnership shows the following balance at the end of year 2017:

ABC Statement of Financial Position as at 31 st December 2017			
	RM Cost	RM Accumulated Depreciation	RM Net carrying Amount
<u>Non-current assets</u>			
Premises	300,000	50,000	250,000
Plant and machinery	200,000	100,000	100,000
Motor vehicles	80,000	40,000	40,000
	580,000	190,000	390,000
<u>Current assets</u>			
Inventory	100,000		
Accounts receivable	80,000		
Cash	20,000		200,000
Total asset			590,000
<u>Current liability</u>			
Accounts payable			65,000
<u>Non-current liability</u>			
Mortgage			120,000
<u>Financed by:</u>			
A			200,000
B			100,000
C			105,000
Total equity and liabilities			590,000

The following transactions took place during 1 January 2018:

- 1) Motor vehicles has been taken over by B and C at RM15,000 and RM10,000 respectively. The remaining motor vehicles were sold for cash amounting RM45,000.

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- 2) Inventory amounting RM140,000 has been taken over by C. RM60,000 out of accounts receivables values has been received from the respective customers. The remaining balance amounting RM20,000 has been taken over by C.
- 3) The following assets has been sold for cash:
- | | |
|---------------------|---------|
| | RM |
| Premises | 350,000 |
| Plant and machinery | 80,000 |
- 4) The accounts payable were all settled for a total of RM60,000. Mortgage was paid on 1 January 2018. The business incurred RM3,500 on dissolution expenses.
- 5) The final amounts due to or from partners were paid or received on 1 January 2018.

Required

Prepare the following accounts as at 1 January 2018 showing the dissolution of the partnership.

- | | |
|---|-----------|
| a) Realisation account | (9 marks) |
| b) Partners' capital accounts (columnar format) | (5 marks) |
| c) Cash account | (6 marks) |

Part B

Items	Investing activities	Financing activities
Example: Sales of business	√	
a) Interest received		
b) Dividends from associates		
c) Issue of ordinary shares capital		
d) Ordinary dividends paid		
e) Receipt from sales of equipment		

Required

Determine whether the above items should be included under investing or financing activities.

(5 marks)

(Total 25 marks)

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Question 4

The trial balance of Azam Berhad at 31 December 2018 was as follows:

	Debit	Credit
	(RM)	(RM)
Share capital		200,000
Retained earnings (1 January 2018)		35,000
Premises at cost	165,000	
Machinery at cost	45,000	
Accumulated depreciation on machinery		10,000
Purchases	150,200	
Sales		300,000
General reserves (1 January 2018)		10,000
Office expenses	17,100	
salaries	60,000	
Rental	4,000	
Cash	47,370	
Electricity	500	
Bad debts	800	
Allowance for doubtful debts		970
Accouts receivables	23,000	
Accounts payables		20,000
Inventory (1 January 2018)	20,000	
Bank	43,000	
	<u>575,970</u>	<u>575,970</u>

Additional information:

- The authorised and issued share capital is divided into 100,000 shares of RM1 each.
- Inventory at 31 December 2018 was valued at RM20,000.
- Salaries accrued at 31 December 2018 amounted to RM1,000.
- Rental paid in advance at 31 December 2018 amounted to RM500.
- A dividend of RM20,000 is proposed for 2018.
- The allowance for doubtful debts is to be increased to RM1,200.
- A depreciation charge is to be made on machinery at 10% per annum on cost.
- The company estimated the corporation tax to be RM2,500.
- RM2,500 was transferred to general reserves.

Required

- Prepare the statement of profit or loss and other comprehensive income for the year ended 31 December 2018. (22 marks)
- Prepare the statement of changes in equity for the year ended 31 December 2018. (3 marks)

(Total 25 marks)
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